Adverse effect of RTA with China

1244. SHRI B.K. HARIPRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state·

(a) whether India and China have decided to examine the feasibility report on a Regional Trade Agreement (RTA),

(b) whether the bilateral trade between China and India has increased ten-fold in six years period to 2006-07 and our trade deficit with China has also increased dramatically;

(c) whether the Chinese products now occupy a disproportionate share of India's imports, raising concerns of excessive dependence; and

(d) whether such a RTA is likely to put undue and unfair pressure on Indian manufacturers with adverse consequences for employment and growth?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir. During the Prime Minister's visit to China in January, 2008 the two Prime Ministers agreed to entrust to the two Commerce Ministers to explore ways to act further on the recommendations of the JTF on RTA.

(b) Yes, Sir. During 2000-01 bilateral trade was of the volume of US $ 2.3 billion. During 2006-07 the bilateral trade has increased to the volume of US $ 25.7 billion. During the last six years our trade deficit with China has increased from US $ 0.6 billion in 2000-01 to US $ 9.1 billion.

(c) During 2006-07 Indian imports from China were US $ 17.4 billion, as against total imports of US $ 185.6 billion. The imports from China have increased significantly since 2000-01 and today it is the biggest source of Indian imports.

(d) In pursuance to the recommendation of the JSG, a Joint Task Force to study in details the feasibility of India-China RTA was constituted. The JTF finalised its report in October, 2007. According to the report of the feasibility study, an India-China RTA will be mutually advantageous.

Expansion plans of General Motors in India

1245. SHRIMATI SUPRIYA SULE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether General Motors seeking to more than double market share in India over the next two years, is planning to start a new facility at Talegaon, Maharashtra;

(b) whether it has the intention to jack up its capacity to 1,40,000 vehicles per annum from 85,000 vehicles a year at present;

(c) if so, whether the company is likely to improve 3 fold in 5 years and is expected to surge from around 9000 units in 2008 to almost 25,000 in 2012; and

(d) if so, what extent it will be helpful for the Maharashtra State?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) Yes, Sir. General Motors is planning to more than double their production in

India over the next two years. They are planning to start a new facility at Talegaon, Maharashtra with the plant be operational by November, 2008.

(b) The new plant at Talegaon will have an initial production capacity of 1,40,000 vehicles per annum. This is in addition to their existing capacity of 85,000 vehicles at Halol in Gujarat.

(c) The company is likely to increase its manufacturing from around 90,000 units in 2008 to 2,50,000 in 2012.

(d) The New General Motors factory in Talegaon, Maharashtra would benefit the State in various ways like employment generation and increase the State revenue by way of taxes and levies. The company is also expected to carry out various Corporate Social Responsibility (CSR) activities in the State.

Displacement *vis-a-vis* employment to people by SEZs

1246. SHRI SITARAM YECHURY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the level of displacement in comparison to the level of employment created in SEZs is higher;

(b) if so, how the Government is planning to manage the balance between the displacement generated in the process of SEZs formation; and

(c) the details of SEZs approved and operational?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) The objectives of the SEZ Act, 2005 are generation of additional economic activity; promotion of exports of goods and services; promotion of investment from domestic and foreign sources; and development of infrastructure facilities. The SEZs notified under the SEZ Act has, as per available information, have generated investment of Rs. 67347 crore and have provided employment of 61015 persons. As per studies, indirect employment is estimated to be two to three times the direct employment. Exports of goods and services from the SEZs grew by 52% in the year 2006-07 and in the current financial year (2007-08). SEZs have already effected exports to the tune of Rs. 40,000 crore upto December, 2007. The benefits derived from multiplier effect of the investments and additional economic activity in the SEZs and the employment generated thus will far outweigh the losses on account of land acquisition and revenue foregone.

(c) 439 formal approvals have been granted under the SEZ Act, 2005, out of which 202 SEZs have been notified and are in various stages of implementation.

Employment generated through SEZs

1247. SHRI SITARAM YECHURY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the Government informed the Parliament that it has generated one lakh employment through SEZs;

(b) if so, the details thereof, SEZ-wise and State-wise; and

(c) the SEZ-wise details of farmers displaced and rehabilitated?